

TOWNSHIP OF MAPLE RIDGE

Alpena County, Michigan

4-1040

GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended March 31, 2004

AUDITING PROCEDURES REPORT

Issue under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Maple Ridge	County Alpena
Audit Date March 31, 2004	Opinion Date July 20, 2004	Date Accountant Report Submitted to State: July 20, 2004	

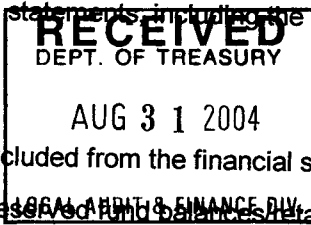
We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.



- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the over funding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Campbell, Kusterer & Co., P.C.			
Street Address 512 N. Lincoln, Suite 100, P.O. Box 686		City Bay City	State MI
Accountant Signature Campbell, Kusterer & Co., P.C.		Zip 48707	

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

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CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

July 20, 2004

To the Township Board
Township of Maple Ridge
Alpena County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Maple Ridge, Alpena County, Michigan, as of March 31, 2004, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township of Maple Ridge's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the account principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Maple Ridge, Alpena County, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Maple Ridge, Alpena County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Campbell, Kusterer & Co., P.C.

CAMPBELL, KURSTERER & CO., P.C.
Certified Public Accountants

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 2004

EXHIBIT A

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>
	<u>General</u>	<u>Debt Service</u>	<u>Agency</u>
<u>Assets</u>			
Cash in bank	172 166 82	26 408 19	1 248 68
Investments	78 243 93	-	-
Due from other funds	165 65	-	-
Taxes receivable	4 563 38	3 160 31	-
Land	-	-	-
Buildings	-	-	-
Equipment	-	-	-
Amount available for retirement of long-term debt	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-
Total Assets	<u>255 139 78</u>	<u>29 568 50</u>	<u>1 248 68</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Due to other funds	-	-	165 65
Due to others	-	-	1 083 03
Contract payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1 248 68</u>
Fund equity:			
Investment in general fixed assets	-	-	-
Fund balances:			
Reserved for debt service	-	29 568 50	-
Reserved for cemetery	46 770 62	-	-
Unreserved:			
Designated for roads	81 929 90	-	-
Designated for recreation	8 048 12	-	-
Designated for building	35 418 18	-	-
Undesignated	82 972 96	-	-
Total fund equity	<u>255 139 78</u>	<u>29 568 50</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>255 139 78</u>	<u>29 568 50</u>	<u>1 248 68</u>

The accompanying notes are an integral part of these financial statements.

<u>Account Groups</u>		<u>Total</u>
<u>General</u>	<u>General Long -</u>	<u>(Memorandum</u>
<u>Fixed Assets</u>	<u>Term Debt</u>	<u>Only)</u>

-	-	199 823 69
-	-	78 243 93
-	-	165 65
-	-	7 723 69
93 873 35	-	93 873 35
246 936 78	-	246 936 78
202 714 47	-	202 714 47

-	29 568 50	29 568 50
---	-----------	-----------

-	<u>12 424 24</u>	<u>12 424 24</u>
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<u>543 524 60</u>	<u>41 992 74</u>	<u>871 474 30</u>
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-	-	165 65
-	-	1 083 03
-	<u>41 992 74</u>	<u>41 992 74</u>
-	<u>41 992 74</u>	<u>43 241 42</u>

543 524 60	-	543 524 60
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-	-	29 568 50
-	-	46 770 62

-	-	81 929 90
-	-	8 048 12
-	-	35 418 18
-	-	<u>82 972 96</u>

<u>543 524 60</u>	<u>-</u>	<u>828 232 88</u>
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<u>543 524 60</u>	<u>41 992 74</u>	<u>871 474 30</u>
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TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES

Year Ended March 31, 2004

EXHIBIT B
Page 1

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>(Memorandum Only)</u>
Revenues:			
Property taxes	35 421 07	32 124 49	67 545 56
Other taxes	4 165 63	-	4 165 63
Licenses and permits	9 805 05	-	9 805 05
State revenue sharing	126 970 00	-	126 970 00
Charges for services – PTAF	9 104 17	-	9 104 17
Charges for services – cemetery	5 020 00	-	5 020 00
Interest	1 713 30	107 02	1 820 32
Hall rental	2 185 00	-	2 185 00
Special assessment	4 248 17	-	4 248 17
Miscellaneous	6 297 26	-	6 297 26
Total revenues	<u>204 929 65</u>	<u>32 231 51</u>	<u>237 161 16</u>
Expenditures:			
Legislative:			
Township Board	3 522 26	-	3 522 26
General government:			
Supervisor	16 883 17	-	16 883 17
Clerk	11 721 08	-	11 721 08
Board of Review	582 75	-	582 75
Treasurer	13 947 71	-	13 947 71
Building and grounds	5 670 41	-	5 670 41
Cemetery	7 765 93	-	7 765 93
Unallocated	16 829 29	-	16 829 29
Public safety:			
Fire protection	29 375 26	-	29 375 26
Liquor law enforcement	1 034 00	-	1 034 00
Zoning	3 664 75	-	3 664 75
Public works:			
Highway and streets	30 512 66	-	30 512 66
Recreation and culture:			
Parks and recreation	1 078 12	-	1 078 12
Inspections	8 849 25	-	8 849 25
Other:			
Insurance	13 471 00	-	13 471 00
Capital outlay	25 362 59	-	25 362 59
Debt service	-	<u>25 480 83</u>	<u>25 480 83</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES
Year Ended March 31, 2004

EXHIBIT B
Page 2

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	
Total expenditures	<u>190 270 23</u>	<u>25 480 83</u>	<u>215 751 06</u>
Excess of revenues over expenditures	14 659 42	6 750 68	21 410 10
Fund balances, April 1	<u>240 480 36</u>	<u>22 817 82</u>	<u>263 298 18</u>
Fund Balances, March 31	<u>255 139 78</u>	<u>29 568 50</u>	<u>284 708 28</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND

Year Ended March 31, 2004

EXHIBIT C
Page 1

	General Fund		Over (Under) Budget
	Budget	Actual	
Revenues:			
Property taxes	35 000 00	35 421 07	421 07
Other taxes	4 300 00	4 165 63	(134 37)
Licenses and permits and inspections	11 900 00	9 805 05	(2 094 95)
State revenue sharing	125 550 00	126 970 00	1 420 00
Charges for services – PTAF	8 000 00	9 104 17	1 104 17
Charges for services – cemetery	4 500 00	5 020 00	520 00
Interest	2 400 00	1 713 30	(686 70)
Hall rental	2 500 00	2 185 00	(315 00)
Special assessments	5 000 00	4 248 17	(751 83)
Miscellaneous	4 400 00	6 297 26	1 897 26
Total revenues	203 550 00	204 929 65	1 379 65
Expenditures:			
Legislative:			
Township Board	5 810 00	3 522 26	(2 287 74)
General government:			
Supervisor	18 800 00	16 883 17	(1 916 83)
Elections	540 00	-	(540 00)
Clerk	14 035 00	11 721 08	(2 313 92)
Board of Review	1 140 00	582 75	(557 25)
Treasurer	16 925 00	13 947 71	(2 977 29)
Buildings and grounds	10 700 00	5 670 41	(5 029 59)
Cemetery	11 000 00	7 765 93	(3 234 07)
Unallocated	17 325 00	16 829 29	(495 71)
Public safety:			
Fire protection	47 190 00	29 375 26	(17 814 74)
Liquor law enforcement	1 035 00	1 034 00	(1 00)
Zoning	6 510 00	3 664 75	(2 845 25)
Public works:			
Highways and streets	35 010 00	30 512 66	(4 497 34)
Recreation and culture:			
Parks and recreation	8 290 00	1 078 12	(7 211 88)
Inspections	11 480 00	8 849 25	(2 630 75)

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND

Year Ended March 31, 2004

EXHIBIT C
Page 2

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures: (continued)			
Other:			
Insurance	13 471 00	13 471 00	-
Contingency	30 289 00	-	(30 289 00)
Capital outlay	<u>25 500 00</u>	<u>25 362 59</u>	<u>(137 41)</u>
Total expenditures	<u>275 050 00</u>	<u>190 270 23</u>	<u>(84 779 77)</u>
Excess (deficiency) of revenues over expenditures	(71 500 00)	14 659 42	86 159 42
Fund balance, April 1	<u>71 500 00</u>	<u>240 480 36</u>	<u>168 980 36</u>
Fund Balance, March 31	<u>-</u>	<u>255 139 78</u>	<u>255 139 78</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Township of Maple Ridge, Alpena County, Michigan conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

In accordance with the provisions of the Governmental Accounting Standards Board's Statement No. 14 "The Financial Reporting Entity," the general purpose financial statements of the Township contain all the Township funds and account groups that are controlled by or dependent on the Township's executive or legislative branches.

The reporting entity is the Township of Maple Ridge. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Basis of Presentation

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund

This fund is used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative actions.

Debt Service Fund

This fund is used to record revenues which are restricted for the payment of principal and interest on debt recorded in the general long-term debt account group.

Fiduciary Fund

The Current Tax Collection Fund is used to account for assets held as an agent for others.

Account Groups

General Fixed Assets Account Group

This account group presents the fixed assets of the local unit utilized in its general operations.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 – Summary of Significant Accounting Policies (continued)

General Long-Term Debt Account Group

This account group presents the balance of general obligation long-term debt, which is not recorded in proprietary funds.

Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present revenues and other financing sources and, expenditures and other financial uses in net current assets.

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual which is both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt is recognized when due.

Revenues from local sources consist primarily of property taxes. Property taxes and revenues received from the State are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The Township 2003 tax roll millage rate was 2.0347 mills, and the taxable value was \$31,881,959.00.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 – Summary of Significant Accounting Policies (continued)

Fixed Assets

Purchases of fixed assets for all funds are recorded as expenditures in their respective funds at the time of purchase. They are also recorded at cost in the General Fixed Assets Group of Accounts as required by generally accepted accounting principles.

Investments

Investments are stated at market.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Compensated Absences (Vacation and Sick Leave)

Employees are not allowed to accumulate vacation and sick pay and therefore no accumulated amount is recorded in the financial statements.

Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these general purpose financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 – Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (continued)

3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

Postemployment Benefits

The Township provides no postemployment benefits to past employees.

Note 2 – Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 2 – Deposits and Investments (continued)

government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated one bank for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	<u>Carrying Amounts</u>
Total Deposits	<u>199 823 69</u>

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	<u>Bank Balances</u>
Insured (FDIC)	104 890 66
Uninsured and Uncollateralized	<u>98 574 81</u>
Total Deposits	<u>203 465 47</u>

The Township's investments are categorized below to give an indication of the level of risk assumed by the Township. Risk category 1 includes those investments that meet any one of the following criteria: insured, registered, or held by the Township or its agent. Risk categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department (or agent) in the Township's name. Category 3 includes investments held by the counterparty or the counterparty's trust department (or agent) but not in the Township's name.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 2 – Deposits and Investments (continued)

The GASB Statement No. 3 risk disclosures for the Township's investments are categorized as follows:

	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Carrying Amount</u>
<u>Investment Type</u>				
Risk-Categorized: Operating Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Risk-Categorized Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonrisk-Categorized: Financial Institution Pooled Funds				<u>78 243 93</u>
Total Investments				<u>78 243 93</u>

The financial institution pooled funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in the funds comply with the investment authority noted above.

Note 3 – Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
Land	88 569 04	5 304 31	-	93 873 35
Buildings	241 014 23	5 922 55	-	246 936 78
Equipment	<u>188 578 74</u>	<u>14 135 73</u>	<u>-</u>	<u>202 714 47</u>
Totals	<u>518 162 01</u>	<u>25 362 59</u>	<u>-</u>	<u>543 524 60</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 4 – Changes in General Long-Term Debt

A summary of changes in general long-term debt follows:

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
Contract Payable	<u>64 061 20</u>	<u>-</u>	<u>22 068 46</u>	<u>41 992 74</u>

Note 5 – Contract-Fire Truck

On January 12, 1999, the Township obtained a loan in the amount of \$164,473.00 for the purchase of a fire truck. The contract payable requires eight annual payments of \$25,480.83, including interest, beginning January 30, 2000. As of March 31, 2004, \$41,992.74 of the principal remained outstanding and it is recorded in the General Long-Term Debt Account Group.

Note 6 – Deferred Compensation Plan

The Township does not have a deferred compensation plan.

Note 7 – Pension Plan

The Township does not have a pension plan.

Note 8 – Risk Management

The Township is exposed to various risk of loss related to property loss, torts, errors, omissions, and employee injuries (worker's compensation). The Township has purchased commercial insurance for property loss, torts, and worker's compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 9 – Interfund Receivables and Payables

At March 31, 2004, the Township had the following interfund receivables and payables:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	<u>165 65</u>	Current Tax Collection	<u>165 65</u>
Total	<u>165 65</u>	Total	<u>165 65</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 10 – Building Permits

As of March 31, 2004, the Township had building permit revenues of \$8,505.05 and building permit expenses of \$8,849.25.

Note 11 – Total Columns on Combined Statements--Overview

The total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation, because interfund eliminations have not been made in the aggregation of this data.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year Ended March 31, 2004

EXHIBIT D
Page 1

Township Board:	
Wages	2 225 00
Office supplies	32 33
Travel	42 48
Publishing and printing	279 59
Education and dues	<u>942 86</u>
	<u>3 522 26</u>
Supervisor:	
Salary	6 487 50
Salary – assessing	6 999 96
Supplies	834 67
Rent	550 00
Travel	1 115 97
Office wages	192 00
Miscellaneous	<u>703 07</u>
	<u>16 883 17</u>
Clerk:	
Salary	10 109 96
Salary – Deputy Clerk	250 00
Supplies	612 76
Rent	550 00
Travel	<u>198 36</u>
	<u>11 721 08</u>
Board of Review:	
Wages	540 00
Publishing and printing	<u>42 75</u>
	<u>582 75</u>
Treasurer:	
Salary	9 425 59
Salary – Deputy Treasurer	250 00
Supplies	3 078 28
Rent	550 00
Travel	540 84
Miscellaneous	<u>103 00</u>
	<u>13 947 71</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year Ended March 31, 2004

EXHIBIT D
Page 2

Building and grounds:	
Wages	1 894 00
Supplies	24 89
Utilities	1 968 33
Telephone	627 87
Mileage	137 16
Electricity	760 15
Repairs and maintenance	258 01
	<u>5 670 41</u>
Cemetery:	
Supplies	128 19
Repairs and maintenance	2 420 25
Miscellaneous	145 93
Mileage	178 56
Wages	4 893 00
	<u>7 765 93</u>
Unallocated:	
Equalization	2 276 10
Attorney	6 460 00
Payroll taxes	5 102 09
Miscellaneous	2 991 10
	<u>16 829 29</u>
Fire protection:	
Wages	10 819 00
Supplies	2 954 17
Utilities	1 315 90
Repairs and maintenance	7 383 32
Telephone	1 292 13
Travel	1 050 54
Electricity	496 70
Education	1 538 00
Fuel	1 185 84
Miscellaneous	1 339 66
	<u>29 375 26</u>
Liquor law enforcement:	
Wages	714 00
Supplies	320 00
	<u>1 034 00</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year Ended March 31, 2004

EXHIBIT D
Page 3

Zoning:	
Wages	2 868 00
Supplies	173 37
Travel	70 38
Publishing	378 00
Miscellaneous	175 00
	<u>3 664 75</u>
Highways and streets	<u>30 512 66</u>
Parks and recreation:	
Wages	332 00
Repairs and maintenance	689 24
Mileage	56 88
	<u>1 078 12</u>
Inspections:	
Wages	8 660 05
Supplies	189 20
	<u>8 849 25</u>
Insurance	<u>13 471 00</u>
Capital outlay	<u>25 362 59</u>
Total Expenditures	<u>190 270 23</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended March 31, 2004

EXHIBIT E

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 3/31/04</u>
<u>Assets</u>				
Cash in Bank and Investments	<u>1 680 78</u>	<u>843 071 23</u>	<u>843 503 33</u>	<u>1 248 68</u>
<u>Liabilities</u>				
Due to other funds	11 19	73 264 31	73 109 85	165 65
Due to others	<u>1 669 59</u>	<u>769 806 92</u>	<u>770 393 48</u>	<u>1 083 03</u>
Total Liabilities	<u>1 680 78</u>	<u>843 071 23</u>	<u>843 503 33</u>	<u>1 248 68</u>

CAMPBELL, KUSTERER & CO., P.C.

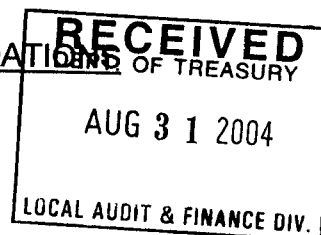
CERTIFIED PUBLIC ACCOUNTANTS

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BAY CITY, MICHIGAN 48707

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FAX (989) 894-5494

AUDIT COMMUNICATION AND REPORT OF COMMENTS AND RECOMMENDATIONS



July 20, 2004

To the Township Board
Township of Maple Ridge
Alpena County, Michigan

We have audited the financial statements of the Township of Maple Ridge, for the year ended March 31, 2004. As required by auditing standards generally accepted in the United States, the independent auditor is required to make several communications to the governing body having oversight responsibility for the audit. The purpose of this communication is to provide you with additional information regarding the scope and results of our audit that may assist you with your oversight responsibilities of the financial reporting process for which management is responsible.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES

We conducted our audit of the financial statements of the Township of Maple Ridge in accordance with auditing standards generally accepted in the United States. The following paragraph explains our responsibilities under those standards.

Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising an internal control structure that will, among other things, help assure the proper recording of transactions. The transactions that should be reflected in the accounts and in the financial statements are matters within the direct knowledge and control of management. Our knowledge of such transactions is limited to that acquired through our audit. Accordingly, the fairness of representations made through the financial statements is an implicit and integral part of management's accounts and records. However, our responsibility for the financial statements is confined to the expression of an opinion on them. The financial statements remain the responsibility of management.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than those items of lesser importance or those in which the possibility of material error is remote.

To the Township Board
Township of Maple Ridge
Alpena County, Michigan

For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

An independent auditor's objective in an audit is to obtain sufficient competent evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or fraud. The existence of that risk is implicit in the phrase in the audit report, "in our opinion."

In the audit process, we gain an understanding of the internal control structure of an entity for the purpose of assisting in determining the nature, timing, and extent of audit testing. Our understanding is obtained by inquiry of management, testing transactions, and observation and review of documents and records. The amount of work done is not sufficient to provide a basis for an opinion on the adequacy of the internal control structure.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described in Note 1 to the financial statements.

OTHER COMMUNICATIONS

Auditing standards call for us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or because of the possibility that future events affecting them may differ markedly from management's current judgments; 2) Significant audit adjustments that may not have been detected except through the auditing procedures we performed; 3) Disagreements with management regarding the scope of the audit or application of accounting principles; 4) Consultation with other accountants; 5) Major issues discussed with management prior to retention; and 6) Difficulties encountered in performing the audit.

We have no significant issues, regarding these matters, to report to you at this time. Audit adjustments were minimal, and are available to review.

To the Township Board
Township of Maple Ridge
Alpena County, Michigan

GASB 34 IMPLEMENTATION

The Governmental Accounting Standards Board issued a new reporting model for governmental units which is to be implemented over the next few years. The implementation date of this pronouncement for the Township of Maple Ridge will begin with the year ended March 31, 2004, and will need to be implemented fully by March 31, 2005. The daily operations and recording transactions should not change significantly, however, the Township will be required to maintain additional records for the year end adjustments to the final presentation format.

COMMENTS AND RECOMMENDATION REGARDING INTERNAL CONTROLS/ COMPLIANCE/ EFFICIENCY

Our procedures disclosed the following conditions that we would like to bring to your attention:

SEGREGATION OF DUTIES

A separation of duties between persons who authorize transactions and persons who have control over the related assets does not always exist.

The least desirable accounting system is one in which an employee is responsible for executing the transaction and then recording the transaction from its origin to its ultimate posting in the General Ledger. This increases the likelihood that intentional or unintentional errors will go undetected. In most cases, adequate segregation of duties substantially increases control over errors without duplication of effort.

We understand that due to the size of needed staff, a proper segregation of duties may be impractical and the "cost to benefit" relationship may not justify the addition of accounting staff to accomplish the desired segregation.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the Township's financial statements and this communication of these matters does not affect our report on the Township's financial statements, dated March 31, 2004.

SUMMARY

We welcome any questions you may have regarding the foregoing comments and we would be happy to discuss any of these or other questions that you might have at your convenience.

Sincerely,

Campbell, Kusterer & Co., P.C.

CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants